

RESOLUTION NO. _____ RA

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE
CITY OF SUNNYVALE MAKING FINDINGS RELATED TO THE
DEPOSIT OF FUNDS IN THE LOW AND MODERATE INCOME
HOUSING FUND AND ADOPTING A LOW AND MODERATE
INCOME HOUSING FUND DEFICIT REDUCTION PLAN**

WHEREAS, pursuant to the California Community Redevelopment Law, constituting Sections 33000, *et seq.* of the California Health & Safety Code (the "Redevelopment Law"), the Redevelopment Agency of the City of Sunnyvale (the "Agency") adopted a redevelopment plan for the Central Core Redevelopment Project (the "Project") on November 26, 1975, as amended; and

WHEREAS, pursuant to Section 33334.6 of the Redevelopment Law, the Agency is required to deposit in its low and moderate income housing fund (the "Housing Fund") an amount representing not less than 20% of the taxes allocated to the Agency with respect to the Project pursuant to Section 33670 of the Redevelopment Law (the "Tax Increments"); and

WHEREAS, pursuant to Section 33334.6 of the Redevelopment Law, the Agency may deposit less than the required amount in its Housing Fund in any fiscal year to the extent that the Agency finds that the difference between the amount deposited and the amount required is necessary to make payments under existing obligations (as defined therein) incurred with respect to the Project and contained in a statement of existing obligations adopted prior to September 1, 1986; and

WHEREAS, the Agency approved its statement of existing obligations with respect to the Project by Resolution No. 195-86 adopted on August 26, 1986, and found therein that existing obligations (the "Existing Obligations") specified in such resolution might preclude the deposit of the required amount into the Housing Fund; and

WHEREAS, Section 33334.6 provides that if the Agency deposits less than the required 20% of Tax Increments in any fiscal year in the Housing Fund, the amount equal to the difference between the amount required and the amount deposited that year shall constitute an indebtedness of the Project until paid in full, payable from future Tax Increments; and

WHEREAS, for fiscal year 2006-07, the Existing Obligations of the Agency are such that the Agency will not be able to make any deposit into the Housing Fund and, as a result, the Agency must incur a deficit with respect to its Housing Fund deposits, as more fully set forth in the staff report accompanying and incorporated in this Resolution; and

WHEREAS, Section 33334.6 of the Redevelopment law provides that the Agency shall adopt a plan to eliminate such deficit in subsequent years as determined by the Agency; and

WHEREAS, the Agency has previously adopted a Housing Deficit Reduction Plan dated May 24, 1994, in order to provide for the timely payment of Existing Obligations issued by the Agency with respect to the Project and to eliminate any resulting deficit in the required deposits into the Housing Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SUNNYVALE THAT:

1. In fiscal year 2006-07, the Agency will require all of its tax increment revenue (estimated at roughly \$3.80 million dollars) to make payment under Existing Obligations, more specifically for the servicing of bonds issued by the Agency and repayment of debt owed to the City by the Agency as set forth in Resolution No. 195-86. As a result, the Agency does not have any Tax Increments available, and does not propose to make any deposit into the Housing Fund for fiscal year 2006-07. The Agency hereby finds that the difference between the amount proposed to be deposited in the Housing Fund and the amount otherwise required to be deposited in the Housing Fund by Health & Safety Code Section 33334.6(c) is necessary to make payments under Existing Obligations of amounts due or required to be committed, set aside, or reserved by the Agency during fiscal year 2006-07 and will be used by the Agency for that purpose.

2. The amount that would otherwise be deposited to the Housing Fund for fiscal year 2006-07 shall be added to the Housing Fund deficit as set forth in Attachment 1 to the Housing Fund Deficit Reduction Plan

Adopted by the Redevelopment Agency of the City of Sunnyvale at a regular meeting held on _____, 2006, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Clerk, Redevelopment Agency
(SEAL)

Chair of the Redevelopment Agency
of the City of Sunnyvale

APPROVED AS TO FORM AND LEGALITY:

David E. Kahn, Redevelopment Agency Counsel